



IN REPLY
REFER TO:

3590
U-37863
U-37912
(U-052)

027/008

orig mine file

RECEIVED

MAR 2 1988

DIV. OIL, GAS, MINING

*cc L. Buxton
K. May
DEN
G Williams*

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
RICHFIELD DISTRICT OFFICE
150 EAST 900 NORTH
RICHFIELD, UTAH 84701

February 29, 1988

Greg Williams
Chairman of the Board
Utah State Division of Oil, Gas,
and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Dear Mr. Williams:

We are writing this letter regarding the issue of reclamation bonding for the proposed potash operation on Federal and State lands of Crystal Peak Minerals Corporation. As per the Memorandum of Understanding between the BLM and the State of Utah dated February 14, 1983, the lessee shall post a bond for reclamation of Federal lands with the BLM which shall satisfy the bonding requirements of both agencies.

The lessee presently has a statewide potassium bond in the amount of \$53,000. We have determined that this amount is sufficient for reclamation of the Federal lands proposed for development under the approved partial mining plan. As the operation progresses and production begins, we will periodically review the adequacy of the bond for reclamation, royalty, and rental liability.

The approval letter to the company (copy attached) stated that a reclamation bond should be posted with the State of Utah for these operations. As this is not in accordance with the MOU, a letter clarifying the bonding requirements will be sent to the Crystal Peak Minerals Corporation.

If you have questions or comments concerning this letter please contact Sam Rowley at 896-8221.

Sincerely,

Donald L. Pendleton

Donald L. Pendleton
District Manager

Attachment:
As stated above.

cc Area Manager, Warm Springs R.A.

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MAR 1 1966

U.S. AIR FORCE



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BUREAU OF LAND MANAGEMENT
RICHFIELD DISTRICT OFFICE
150 EAST 900 NORTH
RICHFIELD, UTAH 84701

3590
U-37863
U-37912
(U-050)

February 1, 1988

Larry Sowers, General Manager
Crystal Peak Minerals Corporation
P.O. Box 100
Milford, Utah 84751

Dear Mr. Sowers:

On December 9, 1987, we received copies of your partial mine plan of operations for 1988 on the Sevier Lake Project on Federal potassium leases U-37863 through U-37912. A copy of the plan was provided to the Utah Division of Oil, Gas, and Mining (UDOGM). The plan has been reviewed and found to be in accordance with regulations at 43 CFR 3500 including applicable requirements in 3592 and in particular 3592.1(f) pertaining to partial mining plans.

An environmental analysis was completed for your proposed operation on September 25, 1987. The analysis addressed the full scope of your proposal to develop Federal potassium leases U-37863 through U-37912. The partial plan entitled "Planned 1988 Development Activities" was evaluated within the scope of the environmental analysis. It was determined that there would be no significant impacts associated with your proposed operation and therefore an Environmental Impact Statement is not required.

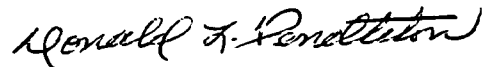
Crystal Peak Minerals Corporation and its operators will be required to meet all of the terms and conditions of the regulations and the Federal leases, including all special stipulations. Accordingly the partial plan entitled "Planned 1988 Development Activities" is approved subject to the above terms and the following conditions of approval:

1. The lessee will be responsible for obtaining any approvals, permits, etc. required by UDOMG as a result of operations authorized in accordance with this approval.
2. Only those operations proposed under the partial mining plan submitted December 1, 1987 are approved. Any proposed changes in this plan must be submitted to this office.

3. A reclamation bond shall be posted with the State of Utah, Division of Oil, Gas, and Mining for these operations. This bond shall be acceptable to the State of Utah and shall not be relinquished until all reclamation has been completed.
4. Should dust become a problem during construction operations, the equipment staging area and access roads shall be sprayed with water or magnesium chloride.
5. Any archaeological or paleontological resource found or uncovered during these operations shall be left untouched and the BLM District Manager, Richfield, notified immediately.
6. Upon final abandonment of the site, all disturbed areas shall be reclaimed in accordance with the reclamation plan developed by the State of Utah, Division of Oil, Gas, and Mining.

If you have questions concerning this approval, please contact me at (801) 896-8221 or Allan Vance at (801) 524-3106.

Sincerely,



Donald L. Pendleton
District Manager

Attachment
Copy of Approved Plan (No. 5)